

# The *Grundrisse* (The 1857-58 Manuscript)

## The Chapter on Money: Part 4

*The Objectification of the Relations between People as Relations of Exchange*  
(pp. 156-165)

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Over time, to the extent that production becomes production for *exchange* (as, in other words the capitalist mode of production develops, and extends its reach), the *exchange relation* increasingly establishes itself, as Marx put it earlier in the text, “as a power external to and independent of the producers.” (Marx 1973, p. 146) Over the course of this development, the exchange relation *in general* assumes a social position of ever-greater weight and autonomy, sucking all aspects of human life within its mode of existence.

The dissolution of all products and activities into exchange values presupposes the dissolution of all fixed personal (historic) relations of dependence in production, as well as the all-sided dependence of the producers on one another. Each individual’s production is dependent on the production of all others; and the transformation of his product into the necessities of his own life is [similarly] dependent on the consumption of all others. Prices are old; exchange also; but the increasing determination of the former by costs of production, as well as the increasing dominance of the latter over all relations of production, only develop fully, and continue to develop ever more completely, in bourgeois society, the society of free competition. (Marx 1973, p. 156)

Human relations thus become exchange relations: “[t]his reciprocal dependence is expressed in the constant necessity for exchange, and in exchange value as the all-sided mediation.” (Marx 1973, p. 156) In this way, the sphere of the private individual becomes socialised, but socialised through the structures of the exchange relation itself, reproducing it in the process: “private interest is itself already a socially determined interest, which can be achieved only within the conditions laid down by society and with the means provided by society; hence it is bound to the reproduction of these conditions and means. It is the interest of private persons; but its content, as well as the form and means of its realisation, is given by social conditions independent of all.” (Marx 1973, p. 156) All human activity becomes subsumed under the exchange relation.

At the same time, however—as private human life is socialised within the exchange relation—

## The *Grundrisse* (The 1857-58 Manuscript)

The Chapter on Money Part 4: *The Objectification of the Relations between People as Relations of Exchange* (pp. 156-165)

---

the relations between people are themselves in turn transformed into “something alien to them, autonomous, [...] a thing.”<sup>1</sup> (Marx 1973, p. 157) The “social power” of the “medium of exchange” and “the power of the community which binds [...] individuals together” are inverses: as the former grows, the latter is weakened. The social power of things replaces the social power of persons.

Marx introduces at this point (Marx 1973, p. 158) a powerful vision of the sweep of human history.

Relations of personal dependence (entirely spontaneous at the outset) are the first social forms, in which human productive capacity develops only to a slight extent and at isolated points. Personal independence founded on objective [“*sachlicher*” (Marx 2006, p. 91); see footnote 1] dependence is the second great form, in which a system of general social metabolism, of universal relations, of all-round needs and universal capacities is formed for the first time. Free individuality, based on the universal development of individuals and on their subordination of their communal, social productivity as their social wealth, is the third stage. The second stage creates the conditions for the third. Patriarchal as well as ancient conditions (feudal, also) thus disintegrate with the development of commerce, of luxury, of money, of exchange value, while modern society arises and grows in the same measure.

Human society moves through three historical stages. The first stage is characterised by relations of personal dependence; the final stage by free individuality and the universal development of individuals. Between these two stages there supervenes that in which, on the one hand, a real social metabolism emerges for the first time, while in the other the structure of this metabolism is given by the objective (thing-like) nature of personal relations. This second (middle; mediating) stage is *bourgeois* society.

The transformation of relations between persons into exchange relations supposes the separation of the private from the social: it “presupposes the all-round dependence of the producers on one another, together with the total isolation of their private interests from one another, as well as a division of social labour whose unity and mutual complementarity exist in the form of a natural relation, as it were, external to the individuals and independent of them.” (Marx 1973, p. 158) Production under these conditions is social, Marx notes, but it “is not *directly* social.” (Marx 1973, p. 158) “The *private exchange* of all products of labour, all activities and all wealth stands

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<sup>1</sup> A “thing”, but what kind of thing? German has two words for “thing”: “*Sache*” and “*Ding*”. The first is more thing in the sense of matter, affair, or case; the latter is more thing as *object*: i.e. a *material* thing. In (the more mature) Marx’s account of the emergence of what has been called “commodity fetishism”, distinction is made between two steps. First, personal relations are transformed into relations between *Sachen*; that is, the relations between persons take the form of (social) *exchange* relations, social relations in which things are exchanged. This step Marx calls “*Versachlichung*” (often translated as “reification”). Then, in a second step, these relations between *Sachen*—in effect, exchange relations between people—assume the form of *appearance* of relations between *Dinge*, as if it were the things (the commodities) themselves that are exchanged the originators of the relations. This second step Marx calls “*Verdinglichung*”, and it is in this second step that the commodities acquire a fetish-like character.

It is important to distinguish the nature of each of the steps that make up this double transformation. The first of them, *Versachlichung*, is *not* fetish-like: it is not that the relations between persons appear to take the form of exchange relations; the relations between persons *really do* take the form of exchange relations, and while this may be “alienating”, it is not mysterious. The fetish transformation is that of the second step, that of *Verdinglichung*, in which it *appears* that the exchange relations *emanate from* the things (the commodities) themselves. Here, in Marx’s exposition in the Manuscript, we are at the stage of *Versachlichung*. (See the discussion on the distinction between *Versachlichung* and *Verdinglichung* in Tairako 2017.)

## The *Grundrisse* (The 1857-58 Manuscript)

The Chapter on Money Part 4: *The Objectification of the Relations between People as Relations of Exchange* (pp. 156-165)

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in antithesis not only to a distribution based on a natural or political super- and subordination of individuals to one another [...] but also to free exchange among individuals who are associated on the basis of common appropriation and control of the means of production.”<sup>2</sup> (Marx 1973, p. 159)

Marx returns to the difficulty in finding expression for the labour-time materialised in commodities in money form (i.e. time-chits). On the one hand, he says, the exchange value of a commodity is equal to the labour-time materialised in it; on the other, money is equal to exchange value separated off from the material form of the commodity. Money exists because (emerges from the fact that) exchange value separates itself from “the substance of commodities”, yet “commodities cannot be directly transformed into money; commodities cannot be directly transformed into money; i.e. the authentic certificate of the amount of labour time realised in the commodity cannot serve the commodity as its price in the world of exchange values.” (Marx 1973, p. 160)

(Marx then asks as to why this should be. His answer (developed over several pages (Marx 1973, pp. 161-3)) is rather convoluted (and to my mind ultimately unconvincing) but seems to boil down to the fact that money is precisely premised on the objectification (*Versachlichung*) of the relations between productive activities and as such can only express the labour-time materialised in the results of these activities (the commodities) only in objectified (as it were, “*versachlichtert*”) form.)

It would nevertheless be a mistake to paint the condition of the bourgeois individual, whose relations with other individuals have become objectified as exchange relations (mediated by money) as a deviation from some “natural” condition, untainted by this transformation of personal relations into the relations between things and the separation of the private and the social. Rather, the individual *everywhere*—the pre-bourgeois individual as much as the post-bourgeois one—has to be seen as a *historical*, not a natural, subject.

Universally developed individuals, whose social relations, as their own communal relations, are hence also subordinated to their own communal control, are no product of nature, but of history. The degree and the universality of the development of wealth where this individuality becomes possible supposes production on the basis of exchange values as a prior condition, whose universality produces not only the alienation of the individual from himself and from others, but also the universality and the comprehensiveness of his relations and capacities. In earlier stages of development the single individual seems to be developed more fully, because he has not yet worked out his relationships in their fullness, or erected them as independent social powers and relations opposite himself. It is as ridiculous to yearn for a return to that original fullness as it is to believe that with this complete emptiness history has come to a standstill. The bourgeois viewpoint has never advanced beyond this antithesis between itself and this romantic viewpoint, and therefore the latter will accompany it as legitimate antithesis up to its blessed end.

(Marx makes several parenthetical remarks here—aides-mémoire, perhaps, and simple asides, tersely written—which need not detain us.)

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<sup>2</sup> “Although the private interests within each nation divide it into as many nations as it has ‘full-grown individuals’, and although the interests of exporters and of importers are antithetical here, etc. etc., national trade does obtain the semblance of existence in the form of the rate of exchange.” In other words, what distinguishes exchange within a country from exchange between countries, or, put another way, what *delimits* one country from another is national currencies. (Marx 1973, p. 159)

## The *Grundrisse* (The 1857-58 Manuscript)

The Chapter on Money Part 4: *The Objectification of the Relations between People as Relations of Exchange* (pp. 156-165)

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Then he makes the following important point. We need to be careful here, he notes, for in those (pre-bourgeois) societies where the exchange relation is undeveloped, where the separation between the private and the social is less advanced, personal relations are still circumscribed by a given set of social structures: “as feudal lord and vassal, landlord and serf, etc., or as members of a caste etc. or as members of an estate etc.” (Marx 1973, p. 163) On the other hand, when personal relations come to be organised through exchange relations, personal ties appear to stand abolished but are only so to the degree that one “abstracts from the conditions [...] existence within which these individuals enter into contact (and these conditions, in turn, are independent of the individuals and, although created by society, appear as if they were natural conditions, not controllable by individuals).” (Marx 1973, p. 164) And although these external limitations appear “natural”, they are in fact inherent to the social structure in which they manifest themselves, and cannot be broken without bringing that social structure down. “A closer examination of these external relations, these conditions, shows [...] that it is impossible for the individuals of a class etc. to overcome them *en masse* without destroying them. A particular individual may by chance get on top of these relations, but the mass of those under their rule cannot.” (Marx 1973, p. 164)

Thus although bourgeois society dissolves pre-bourgeois relations of personal dependence they are not abolished *as* relations of dependence but rather *transformed into* relations of “general form”. “These *objective* dependency relations [...] appear, in antithesis to those of *personal* dependence [...] in such a way that individuals are now ruled by *abstractions*, whereas earlier they depended on one another.” These abstractions, however, are “nothing more than the theoretical expression of those material relations which are their lord and master.” (Marx 1973, p. 164)

Finally, insofar as relations find expression as *ideas*, it comes to pass that “philosophers have determined the reign of ideas to be the peculiarity of the new age.” (Marx 1973, p. 164) In turn, the “reign exercised by the relations appears within the consciousness of individuals as the reign of ideas, [...] because the belief in the permanence of these ideas, is of course consolidated, nourished and inculcated by the ruling classes by all means available.” (Marx 1973, p. 165)

## **The Grundrisse (The 1857-58 Manuscript)**

The Chapter on Money Part 4: *The Objectification of the Relations between People as Relations of Exchange* (pp. 156-165)

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